

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
New Roads, Louisiana

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT
Year Ended September 30, 2013

Melvin L. Davis
Certified Public Accountant

(A Limited Liability Company)

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
New Roads, Louisiana

Financial Statements and
Independent Accountant's Compilation Report
For The Year Ended September 30, 2013

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Management
Pointe Coupee Community Advancement, Inc.
New Roads, Louisiana

I have compiled the accompanying statement of financial position of the **Pointe Coupee Community Advancement, Inc.** (a nonprofit organization) as of the year ended September 30, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Melvin L. Davis, CPA, LLC

Baton Rouge, Louisiana
March 26, 2014

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
New Roads, Louisiana

Statement of Financial Position
September 30, 2013

ASSETS**Current Assets**

Cash in bank	\$ 1,337
Accounts receivable	<u>2,844</u>

TOTAL ASSETS

\$ 4,181

LIABILITIES**Current Liabilities**

Accrued payroll withholdings payable	\$ 19,449
Accrued liabilities	<u>1,889</u>
Total Current Liabilities	<u><u>21,338</u></u>

NET ASSETS

Unrestricted net assets	<u>(17,157)</u>
Total Net Assets	<u><u>(17,157)</u></u>

TOTAL LIABILITIES AND NET ASSETS

\$ 4,181

See accompanying notes and independent accountants' compilation report.

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
New Roads, Louisiana

Statement of Activities
Year Ended September 30, 2013

REVENUES

State Grant - Louisiana Workforce Commission	\$ 78,793
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TOTAL REVENUE	<u>78,793</u>
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EXPENSES

Program Services - Community Services Block Grant	89,122
Management and general	<u>3,635</u>

TOTAL EXPENSES	<u>92,757</u>
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CHANGE IN NET ASSETS	(13,964)
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NET ASSETS AT BEGINNING OF YEAR	<u>(3,193)</u>
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NET ASSETS AT END OF YEAR	<u><u>\$ (17,157)</u></u>
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See accompanying notes and independent accountants' compilation report.

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
New Roads, Louisiana

Statement of Functional Expenses
Year Ended September 30, 2013

Expenses	Program Services Community Services Block Grant	Support Services Management and General	Total
Salaries and Related Benefits:			
Salaries	\$ 66,335	\$ -	\$ 66,335
Health and Pension Benefits	5,075	-	5,075
Total Salaries and Benefits	71,410	-	71,410
Accounting services	1,385	-	1,385
Bank fees	-	154	154
Emergency assistance	-	750	750
Miscellaneous	395	-	395
Occupancy	4,880	-	4,880
Postage and delivery	-	176	176
Supplies - Office	2,037	2,555	4,592
Telephone	5,427	-	5,427
Utilities	3,295	-	3,295
Water	293	-	293
Total expenses	<u>\$ 89,122</u>	<u>\$ 3,635</u>	<u>\$ 92,757</u>

See accompanying notes and independent accountants' compilation report.

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
New Roads, Louisiana

Statement of Cash Flows
Year Ended September 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (13,964)
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:	
Increase (decrease) in:	
Accounts, payroll, and other payables	<u>14,770</u>
Net cash provided (used) by operating activities	<u>806</u>
Net increase in cash	806
CASH AT BEGINNING OF YEAR	<u>531</u>
CASH AT END OF YEAR	<u><u>\$ 1,337</u></u>

See accompanying notes and independent accountants' compilation report.

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.

Notes to the Financial Statements For the Year Ended September 30, 2013

Note 1 – Summary of Significant Accounting Policies

A. Organization

Pointe Coupee Community Advancement, Inc. (the Organization) was organized in 1965 in New Roads, Louisiana, as a voluntary-health and welfare non-profit organization. It was established under the Civil Rights Act of 1964 through the Office of Equal Opportunity (OEO) in June 1965. It functions as a community action agency whose purpose is to improve the quality of life for low income, needy persons throughout the area with emphasis on providing education, nutrition, health and social assistance to underprivileged children and nutritional and energy assistance to low income persons. **The Organization** is governed by a fifteen member Board of Directors, including at least one-third shall be individuals with low-income who reside in the area to be served by **the Organization**, one-third shall be elected public officials currently holding office in the geographic area to be served by **the Organization**, and the remaining members shall be designees of business, industry, labor, religious, welfare, education, or other major groups and interests in the community.

B. Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

C. Financial Statement Presentation

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, **the Organization** is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, as applicable.

Unrestricted – Support, revenues, and expenses for the general operation of **the Organization**.

Temporarily Restricted – Contributions specifically authorized by the grantor or donor to be used for a certain purpose or to benefit a specific period.

Permanently Restricted – Contributions subject to donor-imposed restrictions and that are to be held in perpetuity by **the Organization**. Generally, the donors of these assets permit **the Organization** to use all or part of the income derived from the investment of these contributions.

D. Cash and Cash Equivalents

For purposes of reporting the statement of cash flows, **the Organization** considers all highly liquid debt instruments purchased with original maturities of three months or less to be cash equivalents.

E. Capital Assets

The Organization's policy is to capitalize property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value.

Depreciation is provided utilizing the straight-line method over estimated useful lives of the asset. Useful lives vary from 3 to 7 years for furniture and equipment and 10 years for leasehold improvements. At September 30, 2013, **the Organization** had no capitalized property and equipment and therefore, no depreciation expenses are recorded in the financial statements.

F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

G. Income Taxes

Income taxes are not provided for in the financial statements since **the Organization** is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state provisions.

H. Contributions

Contributions are generally recorded only upon receipt, unless evidence or an unconditional promise to give has been received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value for the amounts expected to be collected. Conditional promises to give are not included as support until such time as the conditions are substantially met. All contributions are considered available for unrestricted use unless specifically restricted by the donor. **The Organization** had no temporarily or permanently restricted net assets as of the year ended September 30, 2013.

I. Functional Allocation of Expenses

The cost of providing the various program and activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

J. Compensated Absences

Only full-time, full-year employees are eligible for annual leave. Employees earn annual leave after a ninety day probationary evaluation and who obtain a recommendation for retention.

- a. Employees with less than five years of service earn twelve days per year.
- b. Employees with more than five years of service earn eighteen days per year.

All accumulated leave must be taken on or before December 31st of each year. Payment for unused annual leave time shall be made upon the discharge, resignation, removal of employee due to reduction in force, retirement or death of an employee not to exceed eighteen days.

Note 2 – Concentration of Credit Risk

At September 30, 2013, **the Organization** had bank balances totaling \$1,337 on deposit in financial an institution located in Louisiana. The bank is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At September 30, 2013, **the Organization** had no uninsured cash balances.

The primary funding sources of **the Organization** are Community Services Block Grant funds passed-through the Louisiana Workforce Commission. If the amount of grants received fall below the expected contract levels, **the Organization's** operating results could be adversely affected. During the year ended September 30, 2013, **the Organization** received 100% of its revenues from the Community Services Block Grant.

Note 3 – Operating Leases

The Organization presently leases office space under an operating lease agreement. The lease agreement commenced on April 1, 2010 and expires October 1, 2014. The lease requires monthly rental payments of \$600 payable on the 1st of each month. Rental expense for the year ended September 30, 2013 totaled \$4,880.

Minimum future lease payment under the operating lease agreement as of September 30, 2013 for the remaining year of the lease agreement is as follows:

Year Ending September 30, 2014	\$7,200
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Note 4 – Contingencies

The Organization is the recipient of grant funds from various federal and state agencies. The grants are governed by various guidelines, regulations, and contractual agreements. The administration of the programs and activities funded by the grants are under the control and administration of **the Organization** and are subject to audit and/or review by the applicable funding sources. Any grant funds found not to be properly spent in accordance with the terms, conditions, and regulations of the funding source may be subject to recapture.

Note 5 - Board of Directors' Compensation

The members of the Board of Directors serve in a voluntary capacity; therefore, no compensation, per diem, or travel allowances were paid to any board member during the year ended September 30, 2013.

Note 6 – Going Concern

As shown in the accompanying financial statements, **the Organization** has incurred net loss from continuing operations of \$17,157 as of September 30, 2013. In addition, **the Organization** has not paid its payroll taxes withheld in recent years and additional penalties and interest have been assessed upon the organization.

In view of these matters, the ability of **the Organization** to continue as a going concern is dependent upon continued growth of unrestricted revenues or significant fundraising activities. Management believes that significant fundraising activities, projecting to generate income exceeding the net loss can sustain **the Organization** and ensure that all delinquent taxes are paid in full and that future tax liabilities are paid in a timely manner.

Note 7 – Subsequent Events

The Organization is required to evaluate events or transactions that may occur after the statement of financial position date for potential recognition or disclosure in the financial statements. **The Organization** performed such an evaluation through March 26, 2014, the date which the financial statements were available to be issued, and noted no subsequent events or transactions that occurred after the statement of financial position date requiring recognition or disclosure.

OTHER INFORMATION

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

I have compiled the financial statements of Pointe Coupee Community Advancement, Inc. as of and for the year ended September 30, 2013, and have issued my report thereon dated March 26, 2014. I conducted my compilation in accordance with Statements on Standards for Accounting and Review Services (SSARS) and the provisions of Louisiana Revised Statutes 24:513.

Section I – Summary of Auditor’s Reports

A. Type of Report Issued: Compilation

Section II - Financial Statement Findings

No matters reported.

**POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Financial Statement Findings

2012-1 Timely Filing

Recommendation:

We recommend having the books closed and ready for the compilation in a timely manner.

Response: Resolved